

Message Text

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67

ACTION EB-11

INFO OCT-01 ARA-16 ISO-00 AID-20 CIAE-00 COME-00 FRB-02

INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 SPC-03

CIEP-02 LAB-06 SIL-01 OMB-01 STR-08 DRC-01 /102 W

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R 042030Z OCT 73

FM AMCONSUL RIO DE JANEIRO

TO USDA/FAS WASHDC

INFO SECSTATE WASHDC 9399

AMEMBASSY BRASILIA

UNCLAS RIO DE JANEIRO 3702

FOR: LIVESTOCK AND MEAT DIVISION

SUBJECT: TALLOW

REF: RIO 3668

1. MR. ROWLEY OF PACIFIC MOLASSES (351 CALIFORNIA ST., SAN FRANCISCO; TEL. 415, 397-5324) PHONED CONGEN LATE WEDNESDAY OCTOBER 3 TO EXPRESS HIS SERIOUS CONCERN OVER REPORTED CACEX DECISION TO REFUSE IMPORT LICENSES FOR TALLOW WHEN FOB PRICE EXCEEDS \$500 PER METRIC TON. ROWLEY QUESTIONED WHETHER CACEX TOOK THIS DECISION INDEPENDENTLY OR ACTED UNDER PRESSURE FROM IMPORTERS DESIRING TO AVOID THEIR OBLIGATIONS UNDER CONTRACTS THAT STIPULATE PRICES WELL ABOVE PRESENT INTERNATIONAL LEVELS. HE ALSO QUESTIONED WHETHER ALL BRAZILIAN IMPORTERS, GIVEN DECLINE IN INTERNATIONAL PRICES, HAD INDEED APPLIED TO CACEX FOR IMPORT PERMITS.

2. ROWLEY ASSERTED CACEX DECISION, WHICH HE CRITICIZED ON MORAL AND FINANCIAL GROUNDS, COULD HAVE SERIOUS IMPACT ON SOME U.S. TALLOW EXPORTERS, PERHAPS FORCING SEVERAL INTO BANKRUPTCY. HE ATTEMPTING TO ORGANIZE EXPORTERS INTO SOLID BLOC THAT WOULD REFUSE TO SELL BRAZILIAN IMPORTERS ANY
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TALLOW AT CURRENT PRICES. ROWLEY EXPRESSED DESIRE TO SEND

DELEGATION OF U.S. TALLOW EXPORTERS TO BRAZIL TO DISCUSS
ISSUE WITH CACEX. CONGEN DECLINED TO COMMENT ON
ADVISABILITY THIS PROPOSED ACTION, BUT SUGGESTED ROWLEY
MIGHT FIRST WISH CABLE CACEX TO REQUEST: 1) OFFICIAL
STATEMENT LATTER'S POLICY AND 2) CONFIRMATION THAT IMPORTERS
HAD ACTUALLY APPLIED FOR IMPORT PERMITS. ROWLEY STATED HE
WOULD SEND CABLE, BUT ASKED CONGEN KEEP HIM INFORMED OF
DEVELOPMENTS.

3. COMMENT: PACIFIC MOLASSES CLEARLY DISTRAUGHT OVER PROSPECT
LOSING CONTRACTED TALLOW SALES AT WHAT NOW APPEARS AS
EXCEPTIONALLY PROFITABLE PRICES. MR. ROWLEY'S STATEMENTS
YESTERDAY INDICATED HE PREPARED TO PRESS CACEX FORCEFULLY IN
HOPE THAT BRAZILIAN IMPORTERS WILL FULFIL THEIR CONTRACTS.
BOONSTRA

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30 JUN 2005

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